

Summary of E-rate Report

In an effort to better understand how E-rate is being utilized at the school and supervisory union level, the Vermont Department of Education contracted with E-Rate Central, a New York based consultant group, to undertake an analysis to address concerns that Vermont schools — most specifically, its public schools, districts, and supervisory unions — are not able to make optimal use of E-rate funding. The full report can be found at http://education.vermont.gov/new/html/pgm_edtech.html.

From the summary of Findings, Conclusions and Recommendations:

Based on E-Rate Central's analysis, there are several reasons that Vermont's use of E-rate funding falls below the national average. These reasons include:

- *Although difficult to quantify without a more detailed examination of actual applications, it appears that pre-discount school expenditures for telecommunications and Internet services are lower in Vermont than in many other states where there has been a broader deployment of fiber optic wide area networks ("WANs") at the school district level and, in many cases, of statewide broadband networks.*
- *Vermont's average discount rate of 59.5% for the past two years was well below the national average of 67.0%. This alone reduced Vermont's comparative E-rate funding figures by over 10%.*
- *Very few of Vermont schools qualify for 90% discounts that would provide consistent E-rate funding of Internal Connections products and services. In other states, it is not unusual for Internal Connections requests of high discount applicants to significantly exceed their telecommunications and Internet requests.*

*The **most striking aspect** of Vermont's E-rate usage is how few applicants have filed for, much less have been funded for, Internal Connections (intra-building network cabling and equipment, plus associated maintenance). Nationwide, over the past three years, the Internal Connections category has accounted for 31-49% of total E-rate funding. Internal Connections funding in Vermont is virtually nil.*

Recommendations

As part of the report, E-rate Central was asked to provide some recommendations as to how the situation could be improved and bring more savings to schools and supervisory unions state-wide. Again, some highlights of these recommendations include:

For the most part, Vermont's below average utilization of E-rate funding is structural in nature — a function of the State's size and demographics. E-Rate Central suggests the following:

- *Support the creation of a state-wide broadband network, consider direct State funding supported by State-filed consortium E-rate applications.*
- *Encourage greater participation in the E-rate application process at the supervisory union level, either as applicants or as coordinators of participating school applications.*
- *Coordinate with the Vermont Department of Buildings & General Services to broaden the availability of master price agreements for standard E-rate products and services, to file state-wide Form 470s to make these contracts E-rate eligible.*

As the Vermont Department of Education continues to explore the potential state-wide savings that could be realized by a state-wide network as mentioned here in this report, we wish to engage the field in this conversation. In moving forward on this exploration, we will be conducting a "summit meeting" of technology coordinators, principals, superintendents and parents to solicit input from the field on the wide range of aspects this conversation entails. It is important to understand the implications to locals on the overall structure of any kind of state-wide plan. Peter Drescher will be organizing a meeting for interested parties on this issue in mid May.

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